

working model from which we've drafted this HMO language is, in fact, an NAIC model. But then we brought it to Nebraska, Bill McCartney and Bob Lang chaired a task force, brought in HMO members from all of the HMOs in Nebraska, they reviewed the bill to harmonize it to the way we do business in Nebraska and those provisions are here. It includes, for example, such things as requiring quality assurance programs, to keep the quality high; a grievance procedures for people who are members of HMOs who want to aggrieve how they have had their costs or services performed inside the HMO; a limitation of investments by HMOs and their funds to ensure that they'll be solvent and secure; examination of HMOs to make sure that they are as sound and secure as institutions; to provide for mechanism of rehabilitation should they fall on hard times, or liquidation, if they become insolvent; requiring the harmonization of the way we tax HMOs to the normal premium tax for insurance companies. Those kinds of provisions are working models, first in the NAIC, and then by this task force with local HMOs. A second provision in the bill is model language with respect to Medicare supplement insurance. This is, as you know, is insurance bought in the private marketplace to supplement the benefits that one might get from Medicare. However, some of the policies that have been sold nationwide mirror exactly the benefits that one would receive from Medicare. And because they then are able to advertise that they're covering these things, it makes you look like you're getting a good deal, but the policies serve to simply duplicate what you get in Medicare benefits. And then, if you can get them through Medicare, then the policies don't cover them, so, in fact, it's illusory coverage. Additionally, it changes the way in which insurance companies can compensate these kinds of insurance sales personnel to keep them from selling additional and multiple policies, or to get people to change from one company to another, thereby increasing their risk of being without coverage since they might run afoul of the new conditions in the new company. These provisions are identical to the provisions that were in LB 983, which is as I said on Final Reading, and on Select File, if this bill gets there, I'll move to delete these provisions, since we don't need to duplicate them. A third thing this bill does and this committee amendment does is to make slight changes in our Comprehensive Health Insurance Pool, the CHIP Act, which we formed a number of years ago, at the suggestion of Senator Wesely, who serves on the Banking, Commerce and Insurance Committee, and who approves of these changes. One of the changes is to provide that the 12 month waiting period, to